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Senator Grohoski, Representative Cloutier, and Honorable Members of the Joint Standing Committee on Taxation:

Thank you for the opportunity to address the Committee on this important bill. I am Judith Sproule, a resident for the past 34 years of the Town of Trenton in Hancock County.

I am writing in support of L.D. 746 An Act to Authorize a Local Option Sales Tax on Short-term Lodging to Fund Municipalities and Affordable Housing.

This bill proposes a 2% tax on short-term lodgings to support visitors' share of the use of a town's resources, such as public safety, roads, infrastructure, and park upkeep. In legal terms it is a tax, but in practical terms, it is a user fee.

It also laudably supports a statewide need by remitting 10% of the revenue it generates back to the state, specifically to Maine State Housing Authority, to support rural affordable rental housing.

L.D. 746 creates new revenue on a local level, as well as statewide, without taking anything away from any Maine person or entity. Inarguably, all of Maine needs more funding.

I've been involved with my town's budget, for 12 years as a school board member and chair of the local and regional boards, and now serve on the town budget committee. Like many other small Maine towns, we pay for infrastructure and services indirectly, through county taxes which we cannot control, and which have increased dramatically in recent years. Our school budget is a significant portion of our total budget, and like many towns that are coastal or cater to tourists and recreation, our high state valuation disqualifies us from receiving general purpose aid.

Our annual ritual as we approach the budget work is to ask "what can we cut", and when we cut back on education we are taking away from Maine's future. Even with cuts, every year our aging population is at greater risk of not being able to keep their homes. A recent study by Hancock County Planning Commission shows that 85% my town's households are unable to afford the 2023 median home price. Our town's 2024 annual report listed 104 out of its 1006 housing units (10%) whose owners were in arrears of property tax payment six months after the due date.

Like our neighboring towns, we also support visitors to our state. The map below shows current short term rental properties in March 2025 for the Down East/Acadia Coastal area. These dots represent 829 active listings which on average represent \$55K in annual revenue at today's

rates. If L.D. 746 is enacted, it could generate substantial revenue for this region. You can explore other regional Maine markets at www.airdna.co.

L.D. 746 would create the opportunity to derive much needed revenue throughout the state, and I urge you to move it forward by voting “ought to pass”.

Thank you for the opportunity to share my perspective on this important issue.



